For Immediate Release
Contact: Mike Ruzicka
414.778.4929 or 414.870.1876
mike@gmar.com

GMAR Greater Milwaukee Association of REALTORS®

Q1 Home Sales Up 2.8%
March Sales Up 0.8%

Market Highlights

- Highest 1st Quarter for Sales Ever
- Lowest 1st Quarter for Listings Ever
- Sales Prices Up 11.3% in Metro Area

March Sales

County	2020	2021	% Change
Milwaukee	900	959	6.6%
Waukesha	451	386	-14.4%
Washington	136	151	11.0%
Ozaukee	94	97	3.2%
Metro Area	1,581	1,593	0.8%
Racine	210	245	16.7%
Kenosha	177	169	-4.5%
Walworth	127	132	3.9%
SE WI Area	2,095	2,139	2.1%

1st Quarter Sales*

County	2020	2021	% Change
Milwaukee	2,195	2,402	9.4%
Waukesha	1,057	940	-11.1%
Washington	333	348	4.5%
Ozaukee	240	243	1.3%
Metro Area	3,825	3,933	2.8%
Racine	512	601	17.4%
Kenosha	431	463	7.4%
Walworth	315	346	9.8%
SE WI Area	5,083	5,343	5.1%

April 13, 2021 – There are few words to describe the extremes of the current real estate market in the 4-county Metropolitan Milwaukee area.

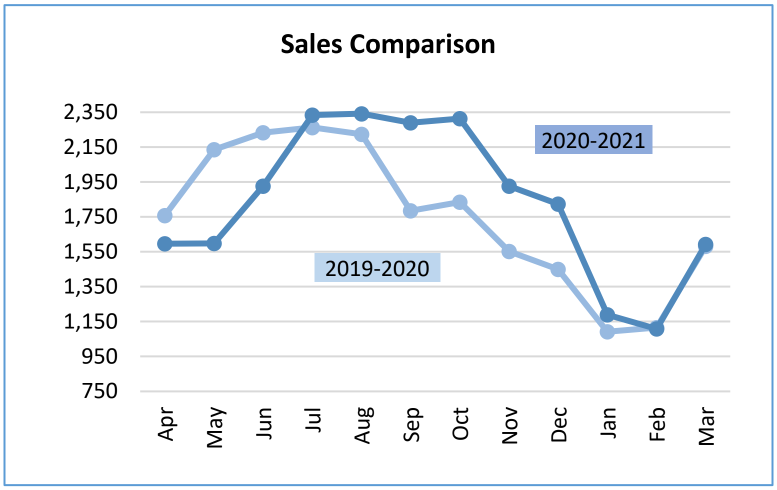
The 3,933 units sold were the most of any 1st quarter ever recorded. At the same time, the 5,193 new listings are the fewest in the 1st quarter on record.

As any high school economic student learns, high demand and low supply causes prices to increase; and, indeed, prices did go up 11.3% in the quarter in the 4-county area.

While it may appear that sales have slowed in Waukesha County (both for the quarter and in March), sales in the county were actually held back by a lack of inventory. 69% of the sales in the county were between $200K and $500K. If there were more units in that price range, REALTORS® would have sold them.

While the COVID-19 pandemic has had a unique impact on the market, there are several other forces contributing to current market conditions.

The lack of new construction of single-family and condominiums; the demographic surge of Millennial and GenZ buyers; and historically low interest rates, have all contributed to an historically tight market.



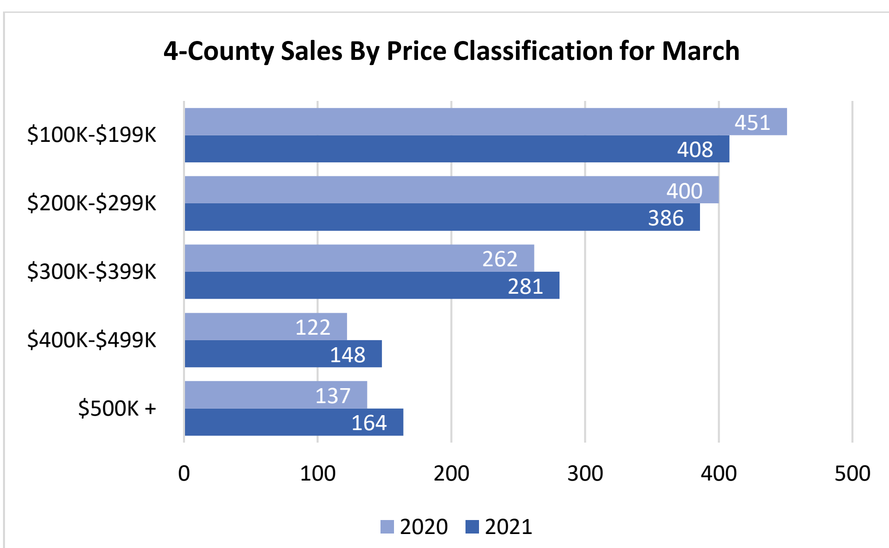
As the **Sales Comparison** graph to the left shows, after falling behind during the lockdown months, July 2020 – January 2021 outperformed the year prior. That was despite a very strong market in 2019-2020.

The **average sale price** in all 4 metropolitan counties was up 11.3% through 1st Quarter to $334,638, which is not surprising considering the lack of inventory throughout the area, particularly for properties under $300,000. In the 7-county Southeastern Wisconsin market area, average price was $318,195, up 13.4%, or $37,698.

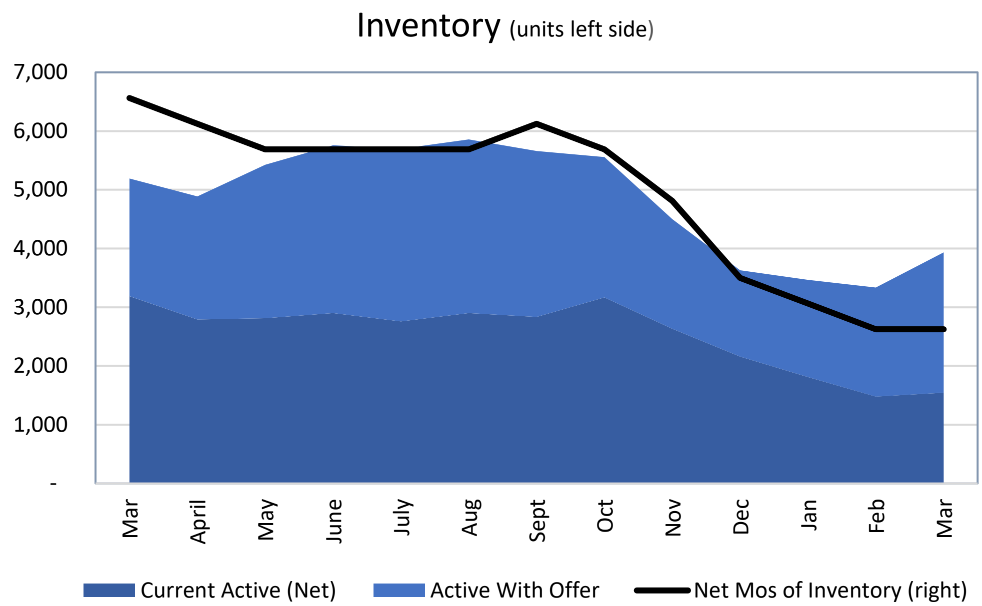
1st Quarter Sale Prices

County	2020	2021	$ Change	% Change
Milwaukee	$202,875	$220,351	$17,476	8.6%
Waukesha	$359,365	$396,288	$36,923	10.3%
Washington	$361,121	$418,176	$57,055	15.8%
Ozaukee	$279,109	$303,738	$24,629	8.8%
Metro Area Avg	$300,618	$334,638	$34,021	11.3%
Racine	$204,830	$223,579	$18,749	9.2%
Kenosha	$228,554	$240,375	$11,821	5.2%
Walworth	$327,624	$424,856	$97,232	29.7%
SE WI Area Avg	$280,497	$318,195	$37,698	13.4%

Similar to Waukesha County's decrease in sales for the 1st quarter and March, the 4-county area experienced a decline in sales in the $100K - $299K segment, simply because of a lack of inventory, not a lack of buyer interest.

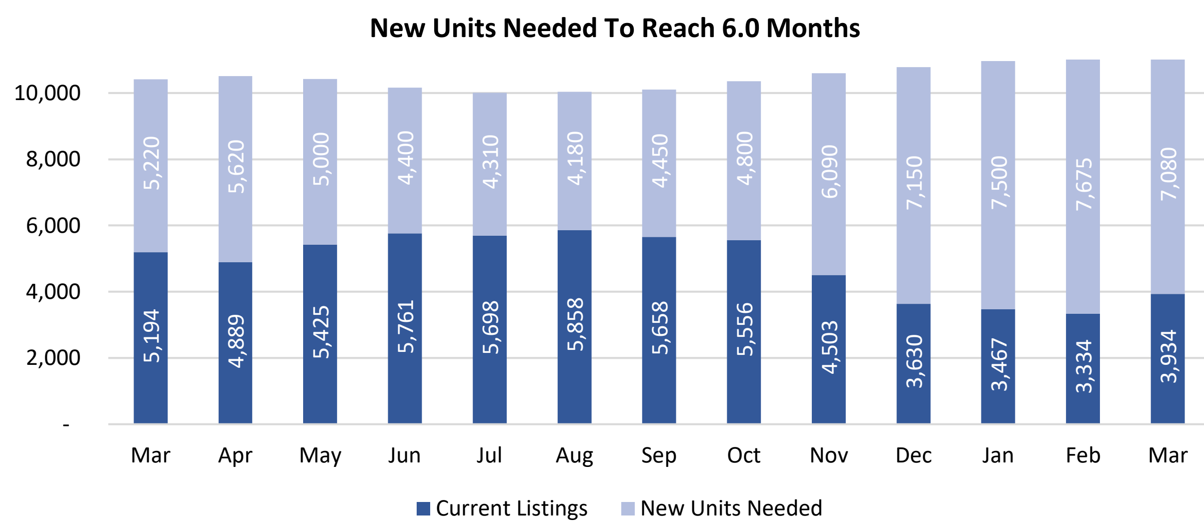


Seasonally adjusted **inventory** is calculated by taking the homes available for sale in each month and comparing them to the past 12 months' average sales. This tells us how many months it would take to sell the existing homes on the market. The seasonally adjusted **inventory level for March was 2.1 months**.



If we subtract the listings that have an "active offer" from those available for sale (about 80% of listings with an offer turn into a sale), we get a different perspective of the quantity of homes available for sale. Subtracting listings with an active offer from total listings, yields **a remarkably low 1,547 listings, which equals 0.6 months of inventory, or about 19-days worth**.

These are dangerously low numbers and have been lackluster for a few years. If the region does not create additional supply in the form of more single-family and condo units, thousands of would-be homeowners will be forced into rental units, foregoing the opportunity to build wealth through a home's equity and all of the other benefits of homeownership.



Generally, six months of inventory is considered a "balanced" market. If inventory falls below six months, the market favors sellers, and when inventory exceeds six months, it is a buyer's market.

With 3,934 current listings providing 2.1 months of inventory, the market would need an additional 7,080 units to push inventory to 6 months.

March Listings

County	2020	2021	% Change
Milwaukee	1,182	1,307	10.6%
Waukesha	630	567	-10.0%
Washington	213	201	-5.6%
Ozaukee	159	135	-15.1%
Metro Area	2,184	2,210	1.2%
Racine	320	259	-19.1%
Kenosha	266	227	-14.7%
Walworth	207	165	-20.3%
SE WI Area	2,977	2,861	-3.9%

Listings

Listings were mostly down in the region in March – a concerning development given that the first quarter often is when homeowners list their homes.

Similarly, the 1st Quarter Listings table shows, listings were down in all 7 SE Wisconsin counties, continuing a troubling trend.

Since the beginning of 2016, the metropolitan market has only had an increase in homes listed for sale 40% of the time.

1st Quarter Listings*

County	2020	2021	% Change
Milwaukee	3,237	3,144	-2.9%
Waukesha	1,631	1,257	-22.9%
Washington	535	469	-12.3%
Ozaukee	392	323	-17.6%
Metro Area	5,795	5,193	-10.4%
Racine	784	645	-17.7%
Kenosha	654	509	-22.2%
Walworth	535	439	-20.0%
SE WI Area	7,782	6,786	-12.8%

Where to go

Buyers should seek the counsel of a REALTOR® in determining their best housing options, and sellers need a REALTORS® expert advice in making correct marketing decisions with their homes.

The Greater Milwaukee Association of REALTORS® is a 5,000-member strong professional organization dedicated to providing information, services, and products to help REALTORS® help their clients buy and sell real estate. Data for this report was collected by Metro MLS, Inc. a wholly owned subsidiary of the GMAR.

* Sales and Listing figures differ between the "Monthly Stats" and quarter or year-end numbers, because the collection of Monthly Stats ends on the 10th of each month, whereas quarters are a continuous tally to 12/31. For example, if a sale occurred on July 29th, but an agent does not record the sale until August 5th, that sale would not be included in the July sales figures (or any subsequent month's total) but would be added to the quarterly and annual total sales figures.

** All references to the "metropolitan" area denotes the 4 counties of Milwaukee, Waukesha, Ozaukee, and Washington Counties. The "region" or "Southeast Wisconsin" refers to the 4 metropolitan counties (Milwaukee, Waukesha, Ozaukee, and Washington), plus the 3 counties to the south, Racine, Kenosha, and Walworth Counties.

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